GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:995
ANSWERED ON:23.11.2001
REHABILITATION MEASURES FOR HMT
SRIKANTA DATTA NARASIMHARAJA WADIYAR

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the Government had implemented rehabilitation measures for the loss making HMT Limited;

(b) if so, the performance of HMT and its subsidiaries in the first year after initiating rehabilitation measures; and

(c) the amount spent on rehabilitation of each unit of HMT?

Answer

MINISTER OF STATE FOR HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (DR. VALLABHBHAI KATHIRIA)

(a) Yes Sir. Government had approved a turn around plan for HMT Limited which envisagedfinancial and organizational restructuring manpower rationalization and fresh infusion of equity. The turn around plan is being implemented by HMT Limited.Government has already provided financial assistance to the company.

(b) Performance of HMT and its subsidiaries in 2000-01 was as follows:

(Rs. in crore)

Company	Turnover	Net Profit/Loss
HMT Ltd (Holding Company including Tractor Division)	305.23	24.41
HMT Machine Tools Ltd.	190.70	-96.17
HMT Watches Ltd.	126.23	-59.18
HMT Chinar Watches Ltd.	1.94	-7.95
HMT (International) Ltd.+	46.01	0.41
HMT Bearings Ltd.+	47.50	2.21

+ Rehabilitation measures not initiated in these subsidiaries as they were already profit making.

(c) The Government has provided HMT Limited (holding Company) fresh equity of Rs.250 crore forliquidation of debentures/dues of FIs & Banks and payment of outstanding statutory dues, planequity of Rs.7.20 crore (out of Rs.15.10 crore agreed) for capital expenditure, conversion of outstanding loan of Rs.39.70 crore to equity and waiver of accumulated interest thereon of Rs.12.74 crore, guarantee for VRS bonds of Rs.469 crore with 50% interest subsidiary and waiverof guarantee fee. Further, HMT has also been given a guarantee for raising working capital bonds of Rs.40.43 crore for its Watch Business Group and budgetary support of Rs.17.35 crore (as grant-in-aid) for salary and wages of the employees of Srinagar Watch Factory. HMT Limited (holding company) in turn has further allocated the above funds/assistance to their respective subsidiaries/units.